

## ***NEWS RELEASE***

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### **DeNUCCI CITES TRUST FUND ABUSES AT MASSASOIT COMMUNITY COLLEGE**

State Auditor Joe DeNucci today reported that top administrators at Massasoit Community College (MCC) in Brockton have spent thousands of dollars in trust fund revenues on travel, meals, liquor and other perks without documentation to demonstrate any business or educational benefit to the college.

State Board of Higher Education guidelines require that expenditures of college trust fund revenue, which comes from such non-state-appropriated sources as tuition, fees, grants and miscellaneous fund-raising activities, must be properly accounted for, be clearly related to the mission of the college, and not give the “appearance of lavishness or extravagance.”

However, DeNucci’s 60-page audit cited numerous instances of travel-related expenditures that were excessive, unnecessary or of no apparent benefit to Massasoit Community College. For example, on several trips, the president reserved a more expensive hotel room than other MCC co-travelers, resulting in excessive and unnecessary costs. Frequently, MCC employees arrived one or more days early for a conference or left one or two days after a conference ended, but charged the college for the additional days. In some instances, travelers charged for meals at the MCC per diem rate even though the meals were provided by conference sponsors or others.

In contrast, some MCC students who went on college-sponsored trips were not reimbursed for meals even though they were entitled to reimbursements for all travel-related expenses, an inequity in light of the administrators’ travel practices.

Furthermore, some out-of-state travel forms were signed and approved by the president even though the estimated expense was not filled in on the form. In another case, the audit found eight consecutively numbered restaurant receipts for meals claimed over a three-day period, with some indicating that lunch preceded breakfast.

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DeNucci's audit reported that the president and other administrators of Massasoit Community College engaged in other numerous questionable expenditures of trust fund money due to inadequate controls by the college. For example:

- The president and others charged the college for meals and liquor at his residence and at area restaurants without documenting the business purpose. The president's college credit card was used for more than \$800 in liquor purchases without adequate documentation. On three credit card purchases of liquor totaling \$270, a person other than the president had signed the president's name.
- On three occasions, the president's wife, a non-college employee and a non-authorized signatory, signed credit card slips for purchases of food and supplies.
- On a number of occasions, the president and administrators used MCC funds to pay for questionable gifts to trustees and employees. In two instances, the college spent a total of \$5,712 for embossed chairs without identifying a business benefit. Other questionable gifts included jewelry and travel expenses.
- The college spent \$1,230 for damage repairs to the president's leased car and could not provide documents identifying the driver, the circumstances of the accident or why the insurance company claim was only \$986.

In addition, DeNucci's audit revealed that MCC understated or failed to report the amount of taxable fringe benefits paid to the college president for costs related to his personal use of a leased automobile and other items, resulting in insufficient amounts of federal and state income taxes being withheld.

Finally, DeNucci said Massasoit Community College lacks proper internal controls over trust fund receipts and expenditures, leaving inadequate assurance that the college has properly collected, reported, recorded and accounted for these revenues.

"There has been a disturbing lack of accountability over all aspects of trust fund expenditures at Massasoit Community College," DeNucci said. "These improprieties are unfair to the students as well as the taxpayers. The college should comply with Board of Higher Education guidelines and make sure that all of its trust fund revenues are spent for the benefit of the institution and not for inappropriate personal use."





